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COLLEGE SCHOLARSHIPS
IN
WISCONSIN

A report to the Wisconsin Legislature
upon problems and practices
in granting college scholarships in
Wisconsin, with recommendations.

U. S. DEPARTMENT OF HEALTH, EDUCATION AND WELFARE
Office of Education

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Submitted By
The State Scholarship Committee
January, 1959.

Un. of Wisconsin

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COLLEGE SCHOLARSHIPS IN WISCONSIN
(A Report of the State Scholarship Committee
to the 1959 Wisconsin Legislature)

Introduction

The State Scholarship Committee. The 1957 Wisconsin legislature enacted legislation (36.165, Chapter 635, Laws of 1957) which, among other provisions, directed that "the Coordinating Committee for Higher Education shall establish a state scholarship committee to provide scholarships on a state-wide basis and seek out talented students who can best benefit from such scholarships." The legislation also provided that the state scholarship committee "shall conduct studies of the problems and practices in granting college scholarships in this state and report its findings and recommendations thereon to the legislature at the opening of the 1959 session." No appropriations were made to the committee or for the purpose of the studies.

On December 7, 1957, the Coordinating Committee for Higher Education appointed a sub-committee from its own membership to serve as the state scholarship committee. The following persons were named to the committee: Barney B. Barstow, Ellis E. Jensen, and Robert Tracy.* Mr. Barstow was selected as chairman, and Mr. Kenneth Little, member of the Joint Staff of the Coordinating Committee for Higher Education, was selected as secretary. After review of the legislation, and because no funds were available either for scholarship awards or for the administration of the act, the committee determined to concentrate upon the development of the report upon problems and practices in granting college scholarships in Wisconsin.

This report describes research findings upon the needs of Wisconsin's youth for scholarship aid and the adequacy of existing scholarship programs. It also suggests guiding principles for state programs of student financial aid and makes recommendations for the improvement of Wisconsin's program.

* The chairman and vice-chairman of the Coordinating Committee for Higher Education are ex-officio members. These members are William McIntyre, and Wilbur Renk.

PART A

Background Studies of the Need for Financial Assistance

Three studies have furnished information about the needs for student financial assistance among Wisconsin high school graduates and college students.

(1) A Survey of the Plans of 1957 Wisconsin High School Graduates for Education Beyond High School.

(2) A Survey of Types of Financial Assistance Used by Students Attending Wisconsin Colleges (Fall, 1958).

(3) A Survey of Students Holding Legislative Scholarships in Wisconsin State Colleges.

The major findings of these studies as they relate to needs for financial assistance follow. The findings are presented in the form of answers to commonly asked questions about youth who go to college, about those who do not go, and the situations which influence their decisions about continuing their education.

(1) The Survey of 1957 Wisconsin High School Graduates

In the Spring of 1957, 34,151 seniors graduating from Wisconsin's public and private high schools reported their plans for the year immediately beyond high school graduation, gave information related to the situations affecting their plans, and stated their opinions about the value of further education. These seniors represented about 95% of all seniors graduating in the Spring, 1957.*

1. What part of Wisconsin high school graduates plan to continue their education beyond high school?

One-half of the graduates were planning to enter some type of school or educational program beyond high school. At least one-third were planning to attend colleges.(degree granting).

2. What are the major characteristics of the youth who plan to go to degree-granting colleges?

- (a) About 55% are boys; 45%, girls.
- (b) The majority have ranked in the top 30% of their classes in scholastic aptitude and high school achievement.
- (c) About one out of three had parents who had attended college.
- (d) Their fathers came from all major types of occupations. Children of farmers, factory workers, and semi-skilled occupations outnumbered children of professional and executive workers.

* This study was completed through a contractual agreement with the U.S. Office of Education as a part of its cooperative research program. A complete report of this research is available at the School of Education, University of Wisconsin, Madison.

- (e) One-third came from families reported to have above average income among the families of their communities. Eight per-cent came from homes reported to have below average income. This means that about three out of five are from families of the broad range of income considered to be the average of their communities.
- (f) In contrast, the majority of students who ranked below the top 30% of their classmates in aptitude or achievement, and the overwhelming part of those who reported that high school studies were "uninteresting" did not plan to go to college.

3. How many students of high scholastic promise do not go to degree-granting colleges?

The situation differs between boys and girls. A special follow-up study of graduates who ranked in the top one-fourth of their classes both in aptitude and achievement showed that 23% of the boys and 47% of the girls did not enroll in degree-granting colleges.

Some of the top-ranking boys had entered military service. About 15% of these planned to go to college after discharge from military duty. Others who had taken jobs were earning money to enable college attendance the following year. It is estimated that finally 85% to 90% of this group will have entered a degree-granting college.

Almost 20% of these top-ranking girls had chosen to attend educational programs which do not result in degrees -- nursing, business or secretarial science schools, cosmetology, air-line schools, and other programs of occupational training. Some girls who had jobs were earning money to enable college attendance the following year, but not in proportions

equal to the men. It is estimated that 60% to 65% of these girls finally will have attended college.

Translated into numbers of students, it is estimated that about 350 top-ranking boys and 800 top-ranking girls in the graduating class of 1957 did not attend college. These are students who ranked in the top 15% of their classmates in both scholastic aptitude and achievement.

These numbers increase markedly when less strict definitions of high scholastic promise are used. For example, 775 boys and 1425 girls who ranked in the top 25% of their classes did not attend college.

4. What part of the high-ranking graduates did not go to college because of lack of financial means?

The evidence on this point is not clear. The information suggests, however, that the strength of desire to attend college backed up by willingness to make a strong effort toward self-help are important differences between graduates who go to college and those who do not. This generalization includes youth at high levels of aptitude and achievement. The following lines of evidence support this generalization. Of the men graduates who ranked in the top one-fourth of their classes but who reported that their families could provide less than \$500 toward college expenses, 59% were going to college; 41% were taking jobs, going into military service, or going to some other type of school. Of those whose families could provide \$1000 or more, 88% were going to college; but 12% were not.

More than one-fourth of the students planning to attend college had family resources of less than \$500. About 17% of those having resources of more than \$1000 were not planning to attend college.

These data suggest that some students with small

financial resource find ways to attend college while others of similar financial circumstances do not; and that some students do not choose to attend college even when financial circumstances are favorable.

Answers to other questions about the economic ability of the students and their families to finance a college education supported this finding, as indicated below:

- (a) One-fourth of the top-ranking graduates reported that their families "could not afford" to send them to college. Of those planning to attend college, however, 20% were from families who "could not afford it"; but 25% of those not attending college reported that their families could afford to send them to school, 5% "easily" and 20% with "some sacrifice".
- (b) Over one-half of the top-ranking graduates who reported that their families have "above average" incomes were not planning to attend college; but one-fourth of the top-ranking graduates from families with "below average" incomes did plan to attend college.

5. Would the graduates be willing to borrow money to help pay for college expenses if they could pay it back on the installment plan after graduation?

More than 60% of the top-ranking boys stated that they would borrow money under such a plan. Two out of three boys who planned to attend college would borrow, but two out of three boys who did not plan to go to college stated that they would not borrow.

This contrast might be attributed to a difference in the necessity to borrow. A sizable number of those planning to go to college were not up against the reality of having to borrow in order to attend. There is reason to believe, however, that a part of the

difference stems from a lack of desire to attend college.

The evidence on this point comes from answers given by boys who had never considered attending college to the following question: "Would you have considered attending college if you had the money?" Eighty per cent of all boys answering this question replied "No". Of those who ranked in the top one-half in scholastic aptitude, 70% answered "No". Practically all (96%) of the boys ranking in the top one-fourth had considered attending college, but of the few who had not, 40% answered "No" to the same question.

Girls are understandably less willing to borrow; 42% of the girls ranking in the top one-fourth would borrow under an installment plan, even though problems of managing repayment make this decision more difficult for them.

6. Did the high-ranking graduates apply for scholarships?

More than half (53%) of all students ranking in the top one-fourth of their classes had taken the National Merit Scholarship Examination. This is a project of a National Scholarship Corporation which identifies outstanding students in the nation. This group has awarded scholarships to 1392 students in the past two years, of which 36 were made to Wisconsin high school graduates.

Of the top-ranking boys planning to go to college, 57% had applied for scholarships at a college. Of those not planning to attend college, 16% had applied for a scholarship. For the top-ranking girls, these figures were 55% and 16% respectively.

7. Did high-ranking students who received scholarships fail to attend?

Fifteen per cent of the boys and five per cent of the girls who had received scholarships reported that they were not going to college. These scholarships ranged in value from tuition to tuition plus from \$300 to \$600 cash.

8. What did the parents report about their sons and daughters who had high scholastic promise but who did not attend college?

The parents of 97% of the top ranking graduates replied to a special inquiry in the fall of 1957. These responses revealed that 93% of the graduates who had planned to go to college were in attendance.

Of those who did not attend college, 26% were taking non-degree educational programs, 60% were employed, 7% (men) were in military service, 5% (women) were married; 2% were unemployed or working at home.

When asked whether they wanted their children to attend college, 90% replied "Yes".

When asked to give the reasons why their children were not attending college, one out of three parents reported that they "could not afford it". One out of four reported that their children either were attending some type of school part-time, or were planning to attend college at a later date. One out of seven stated that their son or daughter was in military service.

Marriage, job, sickness or other reasons made up the rest of the reasons.

Parents who did not want their children to attend college cited these reasons most frequently: "costs too much"; "need him to work at home"; "want him to get a job"; "not interested in school".

The parents voted in greatest numbers that they agreed with these opinions about the value of education:

. "A college education is worth making the financial sacrifice it requires."

. "Too many capable young people who desire to go

to college are not able to go."

"A college education is required to get good jobs and advance in them."

Very few parents (less than 10%) agree with these opinions:

"Going to school costs more than it is worth."

"Too many people are going to college."

"Going to college is not worthwhile for many young people who go."

(2) The Survey of Types of Financial Assistance
Used By Wisconsin College Students, 1958

The primary purpose of this survey was to get state-wide data about the number and extent of scholarships awarded to college students by sources other than colleges or universities, e.g. societies, organizations, companies, firms, foundations. Inquiry also was made into the importance of the scholarship in enabling the students to attend college, the prevalence of borrowing for college expenses by college students, and the extent of self-help through part-time work while attending college. The answers were provided by 38,651 undergraduate students who enrolled in Wisconsin's private or public colleges and universities for the fall term, 1958.

1. What part of the students attending Wisconsin colleges have scholarships?

About 16% of all students enrolled reported that they had scholarships. The percentage varied with the type of institution, as follows:

University (total)	(14%)	
UW - Milwaukee		7%
Extension Centers		10%
UW - Madison		16%
State Colleges		12%
Private Colleges* (Liberal Arts)		21%

Some students have been awarded more than one scholarship: Private Colleges, 8%; State Colleges, 7%; University of Wisconsin, 11%.

* The colleges included in this figure are: Alverno, Beloit, Cardinal, Stritch, Carroll, Lawrence, Marquette, Milton, Milwaukee-Downer, Mt. Mary, Northland, Northwestern, Ripon, St. Norbert, and Viterbo.

In general, the percent of freshmen who received scholarships is almost twice the percent of scholarship holders in the sophomore, junior or senior years.

2. What part of the scholarships are awarded by agencies other than the colleges and universities?

About 45% of the scholarships reported by University of Wisconsin students; 33% of those reported by State College students; and 26% of those reported by students attending private colleges came from other sources.

Included in this tabulation were grants made through the veterans administration, ROTC programs, state rehabilitation fund, and similar programs of the state and federal government. Scholarships of this type comprised 11% of the scholarships at private colleges; 16% at the State Colleges; and 16% at the University in all its units.

Scholarships awarded by societies, organizations, or groups comprised 8% of the scholarships at private colleges; 11% at the State Colleges; 9% at the University (Madison), but 24% at the University Extension Centers, and 25% at UW - Milwaukee. Apparently, the more local the character of the student body, the larger the number of local awards. Also, the amount of the award may be sufficient as to encourage attendance at a college ^{near} home, but not at a college away from home.

Scholarships awarded by companies or firms make up 7% of those at private colleges; 6% of those at the State Colleges; and 11% of those in the University as a whole.

The percentages given here do not portray the full contribution of societies, organizations, business firms and corporations to the college scholarship program, because a sizeable part of the scholarships awarded by the colleges and universities was made

possible by gifts or grants from these groups.

3. Would the students have attended college if they had not received a scholarship?

About 10% of all scholarship holders reported that they would not have attended if they had not received a scholarship. There was no practical difference among the students attending different types of colleges. More than 50% of the scholarship students reported that they would have attended without scholarship assistance. The remainder reported that their attendance would be "doubtful".

4. Did the students have to borrow money to attend college this year?

About one out of five students who had scholarships reported that they borrowed money to help with their college expenses. The percentage for the private college students was 25%; state college, 19%; and the University at Madison, 19%. Only 3% of the students attending the extension centers reported borrowing money, and 9% of those attending UW - Milwaukee.

Students who did not hold scholarships reported borrowing in almost identical percentages as the students who had scholarships. This similarity prevailed in each type of institution except in the extension centers where the percentage increased from 3% to 12%, and at the UW - Milwaukee where it increased from 9% to 16%.

5. Did the students plan to work while attending college?

At least one-half of the students attending college report that they expect to work part-time while attending college to help pay their expenses.

In all units of the University, a considerably larger part of the non-scholarship holders reported

plans to work than did scholarship holders. In the state colleges, the percents were equal. In the private colleges, a slightly smaller part of the non-scholarship group were planning to work.

6. What was the size of the scholarship stipends?

The value of tuition scholarships varies with the fees charged by the school. (The complete report will show the part of all the scholarships which were of this fee remission type.)

Some scholarships carried a cash stipend in addition to tuition. At least one-third of these scholarships carried stipends of less than \$200. About one-fourth of the scholarships, at private colleges and at the University (Madison) had stipends of \$600 to \$1000.

Other scholarships provided cash only. About two-thirds of these awards were less than \$400 in amount. Cash scholarships in amounts of more than \$800 were reported by 7% of the private college students; 6% of the state college students; and 13% of the University students at Madison and the Extension Centers; but, 6% at the UW - Milwaukee.

(3) A Survey of Students Holding Legislative
Scholarships in Wisconsin State Colleges (1958)*

In a separate study of students holding legislative scholarships in State Colleges, the following additional information was furnished.

a. How many of the students holding scholarships would have attend college without the scholarship?

Yes	49%
No	26%
Don't Know	25%

b. How many scholarship holders would borrow money for college expenses?

Yes	79%
No	21%

c. What were the financial sources used by scholarship holders to attend college?

Savings	74%
Parents	61%
Part-time work	28%
Loans	6%

d. How many scholarship holders owned cars? 10%

e. What part of the scholarship holders ranked below the top 10% of their classes? 34%

* This study was conducted by Richard Bailey, Staff member, Office of the Director of Wisconsin State Colleges, State Capitol, Madison.

PART B

Programs of Student Financial Assistance in Wisconsin Colleges

The student financial aid programs of most colleges include three types of aid:

1. Work Programs. These programs enable students to work part-time while attending college. The jobs may be within the college or in the community.
2. Student Loans. Loan funds are used to enable students to borrow:
 - (a) small amounts of money for short periods of time to cover temporary needs or unanticipated but necessary expenditures.
 - (b) substantial amounts of money for long periods of time to cover major parts of educational expenses.
3. Scholarships. Scholarships are usually awarded to students upon the basis of meritorious achievement, personal worthiness, financial need, or a combination of such qualifications.

The practice in college student financial aid programs is to suggest or arrange a combination of these financial aids for needy students according to their individual circumstances. The trend is toward greater reliance upon loan funds than scholarships or grants-in-aid when substantial assistance is needed.

Scholarship Defined. The term "scholarship" is currently used to cover grants of money given for quite different reasons or purposes. For example, a scholarship may be:

1. A financial award granted to highly meritorious prospective students primarily for the purpose of inducing them to attend a particular college or university. The purpose is to help maintain a strong student body. The awards are sometimes

made without reference to the financial need of the student. The stipend may be nominal or substantial.

2. An award, prize or recognition given to a student or prospective student primarily because of his special achievement or excellence in some field of study or activity. The stipend may be nominal or substantial, or may be honorary only. The purpose is to give honor and recognition to meritorious achievement.

3. A financial award granted primarily for the purpose of enabling qualified and worthy persons who have demonstrated need for such assistance to attend or to continue to attend a particular college or university, or a college or university of their choice. The stipends may or may not vary with the individual needs of the students. The purpose is to extend educational opportunity.

While each of these practices has a legitimate use, the term "scholarship" when used in state scholarship programs typically refers to the financial award described in paragraph 3 above.

Loan Programs in Wisconsin Colleges. While information upon the total amount of loan funds available in Wisconsin colleges is not now available, it is accurate to say that in the great majority of Wisconsin colleges loan funds are either non-existent or so meager as to make long-term educational loans of substantial amounts impossible. The funds which are available are used for short term emergency loans of small amounts, \$150 or less. The funds in both public and private colleges have been accumulated from gifts and bequests, some of which restrict the terms upon which the loans may be made. Experience upon repayment of students loans of the type made indicates about a 2% loss -- ^{an amount} considerably less than the interest payments upon repaid loans.

The University of Wisconsin has the largest and most diversified loan fund and makes both short and long-term loans. In the school year 1957-58, the University, through its Committee

on Loans and Undergraduate Scholarships made 3,333 loans amounting to \$413,550.31. The average amount of a loan was \$124.08 but some loans were made for as much as \$1500. The maximum loan permitted is \$1500.

College student loan officers report an increasing disposition of students to use student loan funds. Loan funds which were formerly idle are now being exhausted.

Scholarships in Wisconsin Colleges. As shown in the survey of scholarships held by students attending the University, state colleges, and private liberal arts Wisconsin colleges in the Fall of 1958, about one out of six students have received scholarship assistance, approximately a third from non-college sources. One out of four freshmen held scholarships, but only one out of seven or eight of the sophomores, juniors, or seniors had scholarship help. The proportions holding scholarships are lower when students attending the county teachers colleges, seminaries, and private schools of other types are included, about one in ten.

The distribution of scholarships between private and public colleges and universities in relation to their enrollment is as follows: The University (in all units) and the state colleges have 71% of the total undergraduate enrollment and 63% of the scholarships. The private liberal arts colleges (those reported in this study) had 29% of the undergraduate enrollment and 37% of the scholarships.

Scholarship officers at most colleges report that the scholarships they can provide do not match in number or amount the number of applicants and their needs. This situation is caused, in part, by the practice of many scholarship seekers to apply at more than one college or other source. A national study conducted by the National Merit Scholarship Corporation revealed that four out of five

students who had been classified as "near winners" in their scholarship examination had applied for scholarships at more than one college; and that on the average the "near winners" had been offered scholarships by more than one institution.*

There is no doubt, however, that each year many students who are not successful in their scholarship applications have merit and need equal to the students to whom they have been awarded.

The heavy attrition in enrollment from the freshman year to the sophomore year may be caused in part by the fact that many students have scholarship assistance for the freshman year only. About 35% of the students who enter the state colleges and the University do not enroll for the sophomore year. This attrition results from many factors, poor school work, transfer of residence or college, illness, and other personal reasons. In a study of withdrawals at the University of Wisconsin, however, more than 18% of the students gave financial difficulties as the reason.

Scholarship

help for the sophomore, junior and senior students is as much needed as for freshmen; and present programs are less adequate for these classes.

The trend in the colleges is to reduce the number of scholarships offered and increase the amount of the stipend. The nature of some scholarship gifts and grants restrict this movement, because donors often have stipulated both the number and amount of scholarships to be awarded from their gifts or bequests. Other stipulations ^{sometimes} restrict the college in selecting the recipient ^{such as} designations ^{of} geographical area, group membership, sex, or other characteristics or qualifications which make it impossible to use the fund for general scholarship purposes. These facts account for some misleading stories that college scholarships are begging for applicants.

* The National Merit Scholarship Corporation receives gifts and grants from foundations and corporations for the purpose of selecting outstanding students in the Nation and awarding them National Merit Scholarships. The recipients are selected by a nation-wide competitive examination. The stipends range from \$100 to \$2,200 according to the need of the student. The average award is \$650. Over 70,000 students have taken the examination each year.

The size of the scholarship fund varies with the institutions, their size and location. In general, those colleges whose student body is largely concentrated within commuting distance of the school have smaller funds and their students have less need for scholarship assistance. When the tuition is very high, however, the need increases.

Financial aid to students is not financial aid to colleges.

Students who attend either public or private colleges have traditionally never been expected to pay in fees or tuition the full cost of their instruction. Scholarship programs have been used to attract student bodies of high calibre without regard to socio-economic background or geographic location. For each additional student who is attracted by a scholarship to attend a college, the institution must find additional funds to provide his instruction.

Moreover, current scholarship programs in many institutions, especially private colleges, depend in part upon use of funds which otherwise would be available for operational expenses. A recent national study estimates that of all monies now being spent by our colleges for undergraduate scholarships about 65% comes from the general income of the college (mainly student fees). Only about 15% comes from endowed funds, and 20% from gifts and grants restricted to scholarship use.*

The financing of scholarship programs is primarily a welfare concern which has important implications for the financing of colleges and universities. It is important that larger numbers of able students have the educational chance which they merit, but, as a corollary, the additional students brought in by larger scholarship programs increase the financial needs of the institutions which the scholarship students attend. It is important that the quality of institution match the quality of the students.

A fundamental policy question is the priority to be given in meeting the two types of need -- the needs of the institutions and the needs of the students.

* Moon, Rexford G., Jr. "Who Should Pay the Bill" in College Board Review, Spring, 1958. No. 35.

Statistical Information

The latest summary of scholarships available at Wisconsin colleges and universities was completed by the United States Office of Education for the school year 1955-56. This report provides the following data:

A. Number and total value of scholarships

<u>Type of Institution</u>	<u>Number</u>	<u>Total Value</u>
Public Colleges	2616	\$529,215
Private Colleges	2054	568,460
TOTAL	4670	\$1,097,675

B. Average value of scholarship awards

	<u>Range</u>
Public Colleges	\$95 to \$283
Private Colleges	\$125 to \$380

C. Comparison with other states:

	<u>Undergraduate Enrollment</u>	<u>Total No. of Scholarships</u>	<u>% with Scholarships</u>	<u>Average Value</u>
WISCONSIN	50,106	4,680	9.4	\$229
Minnesota	46,487	4,209	9.1	184
Iowa	40,297	6,640	16.4	192
Illinois	134,233	13,020	9.7	282
Michigan	102,267	12,147	9.9	179
Indiana	66,941	7,440	11.1	245
Ohio	121,789	11,964	9.8	268

Wilkins, Theresa Birch

Bulletin 1957, No. 18

* Financial Aid For College Students: Undergraduate, Office of Education, Department of Health, Education and Welfare. U.S. Government Printing Office. \$1.00.

PART C

Wisconsin's State Program of Student Financial Assistance

Legislative Scholarships: Wisconsin Residents

1. General (Wisconsin statutes 36.16(2) and 37.11 (3))

For some years the regents of the state colleges and of the University have had legislative authority to grant scholarships equivalent in value to the incidental fees of the respective institutions. These scholarships were available to bona fide residents of Wisconsin who during their high school courses were good students, are in financial need, and possess qualifications for leadership and applied to the freshman year only. The number of such scholarships to be awarded was left to the discretion of the regents. The number of students who held this type of scholarship during the fall term 1957-58 is shown below.

	<u>Number</u> Freshman	<u>Value</u>	<u>Total</u> <u>Cost</u>
State Colleges	618	\$117 (yr.)	\$72,306
University (all units)	<u>334</u>	\$174 (yr.)	<u>\$58,116</u>
TOTAL	952		\$130,422

The number of freshman scholarship awards in the state colleges approximated 15% of the number of freshmen attending state colleges in the fall term, 1956. The number of such awards in the University approximated 6% of the number of freshmen who were Wisconsin residents and attending the University in any of its units.

Under an act creating a state scholarship committee (Wisconsin statutes 36.165) the legislature amended this legislation.

The amended legislation permits the two boards of regents to grant such scholarships to freshmen and, in addition, to students who are in college courses beyond the freshman year.

On September 8, 1958 the Coordinating Committee for Higher Education voted to recommend to the Board of Regents of the State Colleges and the Regents of the University of Wisconsin "that scholarships awarded under the legislative authority of Wisconsin statutes 37.11(3) and 36.161(2) be not greater than 10% of the total number of undergraduate students who were classified as bona fide residents of Wisconsin in the fall term of this previous school year". It was left to the discretion of the board as to the distribution of the scholarships among students enrolled in the several undergraduate classes. This action was taken to coordinate the policies of the state-supported institutions by providing that undergraduates at each state-supported institution should have comparable scholarship opportunities. Under this formula, the maximum number of fee-remission scholarships during the 1957-58 school year would have been as follows:

		<u>Value</u>	<u>Cost (yr.)</u>
State Colleges	1185	\$117	\$138,645
University (all units)	<u>1575</u>	<u>\$174</u>	<u>\$274,050</u>
TOTAL	2760		\$412,695

The incidental fee remitted for these scholarships at the State Colleges is \$58.50 per semester; at the University, \$87 per semester. This difference accounts for the larger total value of these scholarships at the University.

The Regents of the University of Wisconsin, upon the recommendation of the University Committee on Loans and Undergraduate Scholarships, have set a present maximum of 650 scholarships under this legislation. This number may be increased with growing enrollment or evidence of need for a larger number of this kind of scholarship. These legislative scholarships make up a larger part of the total scholarship program at the State Colleges, however, and the maximum number authorized may be awarded by those institutions. The new authorizations will not become effective, however, before the 1959-60 school year.

2. Honor Students (Wisconsin Statutes (36:161(1) and 37:11(12))

In addition to the legislative scholarships, Wisconsin statutes authorize the Regents of the University and of the state colleges to award scholarships to designated top-ranking graduates of Wisconsin's high schools.

It is estimated that under this legislation, about 825 high school graduates would have qualified for these scholarships for the academic year 1957-58. The number of these scholarships awarded for that year was:

		<u>Value</u>	<u>Cost (yr.)</u>
State Colleges	243	\$117	\$28,431
University (all units)	<u>264</u>	<u>\$174</u>	<u>\$45,936</u>
TOTAL	507		\$74,367

These facts reveal that 61% of the eligible students made use of these scholarships. This is a very high percentage of use, when it is considered that from 20% to 25% of Wisconsin high school graduates plan to attend colleges in other states, and when many top-ranking students also receive scholarships from other colleges or universities. The honor scholarships are awarded, however, without regard to the financial needs of the students.

3. Special Groups. In addition, the Wisconsin legislature has provided for financial assistance to special groups of students, as follows:

a. Disabled students. (Wisconsin statutes 37.11(14))
Each Wisconsin State College may grant scholarships amounting in value to incidental fees to disabled students who are recommended and supervised by the rehabilitation division of the state board of vocational and adult education. Under this program, 131 scholarships amounting in value to \$15,327 were awarded in the academic year 1957-58.

b. Foreign students. (Wisconsin statutes 37:11(15))
Each Wisconsin State College may grant scholarships amounting in value to incidental fees to foreign students or to United States citizens whose residence is not in the United

States, who have need for financial assistance, are good students and have qualifications for leadership. The number may not exceed 1% of the total full time enrollment in the college in the preceeding year. In 1957-58, 37 persons held scholarships of this type. The total value of the awards was \$4,329.

c. Blind students. (Wisconsin Statutes 41.76)

Blind persons enrolled in any university, college or conservatory of music may under the direction of the superintendent of the Wisconsin School for the Visually Handicapped and with the approval of the state superintendent of public instruction receive aid for necessary school expenses up to an amount of not exceeding \$400 in any one year. The total amount of aid may not exceed \$2000.

Between 25 and 30 persons received aid under this program in the academic year 1957-58, the total cost not exceeding \$10,000.

d. Deaf students. (Wisconsin statutes 41.77)

Deaf or hard of hearing persons enrolled in any university or college may under the direction of the Bureau of the Handicapped and with the approval of the state superintendent of public instruction receive aid for necessary school expenses up to an amount not exceeding \$500 in any one year. The total amount of aid may not exceed \$2500. In 1957-58, five persons received aid under this program, the total cost not exceeding \$2,500.

e. Indians. (Wisconsin statutes 39:022)

The state superintendent of public instruction may award scholarships to Indian students who are residents of the state to help defray educational costs at any degree-granting college located in and financed by the State. The scholarship stipend may not exceed \$600 in any one academic year, and the same student may not be eligible for a scholarship for more than four years.

In 1957-58 10 persons received scholarships under this authorization, the total value of the scholarships amounting to \$2850.

Legislative Scholarships: Non-Residents

1. General (Wisconsin statutes 36:16(1d) and 37:11(17))

The University of Wisconsin and the State Colleges have legislative authorization to award annual scholarships which remit the non-resident tuition to a number of non-resident students which does not exceed 8% of the number of non-resident students enrolled in the previous school year.

These scholarships do not remit the incidental fee which is charged to all students. In general, these scholarships are awarded to students who have completed at least one semester of work at the University. Both graduate and undergraduate students are eligible.

In 1957-58, the University of Wisconsin awarded 203 non-resident scholarships having a total value of \$69,246. The State Colleges awarded 8 having a total value of \$936.

2. Legislator's Appointments

Wisconsin statutes (36:6(2)) authorize each state assemblyman and senator to recommend one non-resident student per year who, if qualified for admission, may receive remission of the non-resident tuition in the University of Wisconsin. In 1957-58, 119 out of 133 possible legislator's recommendations were made.

LOAN PROGRAMS

The Department of Public Welfare is authorized to make loans to needy and qualified students who are residents of the state and who wish to attend Wisconsin colleges or universities (Wisconsin statutes 49.42). Applicants must be either unemployed or otherwise unable to continue their studies, and their application must be endorsed by authorities of the institutions which the applicants wish to attend. The terms of the loans as now prescribed by the Department of Public Welfare provide for 4% interest commencing with the termination of studies with a repayment period of two years. In the 1957-58 school year, 265 loans totalling \$68,412.50 were made.

The Department of Veterans Affairs is authorized to make loans up to \$1000 to veterans for educational purposes. (Wisconsin statutes 45,35(2)8a). The number of veterans attending college, however, is rapidly decreasing.

On July 18, 1958, the Executive Committee of the Governor's Conference on Education Beyond the High School reviewed the state's programs of student loans. This committee concluded that the existing program provides a satisfactory basic procedure for an effective student loan program, but that certain revisions are desirable if it is to be adequate for future needs. This committee felt that the location of the fund in the Department of Public Welfare deterred students and their families from making application, and that the placement of the loan program in an agency closely identified with the educational activities of the state would result in greater knowledge about and use of the fund.

The Committee voted unanimously to recommend to the Governor:

"That the administration of the student loan program be moved from the Department of Public Welfare to the office of the State Superintendent of Public Instruction; that the maximum student loan be raised from \$440 to \$500 per year, the maximum total loan from \$1600 to \$2000; that the period for repayment be extended from two years to four years; and that the amount to be placed in the revolving fund for student loans be increased to \$500,000."

The Executive Committee also appointed a group to meet with a committee of the Wisconsin Bankers Association to study Higher Education Loan Plans as developed in Massachusetts, New York, and as proposed in some other states. Since that time, the National Defense Act has provided a federal program of student loans.

The National Defense Education Act, 1958

The student loan provisions of the National Defense Education Act, 1958, provide a new source of student financial assistance for colleges which are able to take advantage

of it.

Under this Act, colleges participate with the federal government in establishing the loan fund, the college providing 1/9, the federal government the remainder. A student showing need of financial assistance may borrow as much as \$1000 per year and up to a maximum of \$5000. Repayment is made over an eleven year period beginning one year after the student leaves school. The interest rate is 3%. Students who become teachers in public elementary or secondary schools are forgiven 10% of their loans for each year of teaching service in a public elementary or secondary school up to five years. All loans and collections are made by the colleges and universities.

Under appropriations authorized for this part of the Act, Wisconsin colleges and universities could receive a maximum of \$135,462 for the fiscal year 1959. The institutions' contribution would be \$16,933, creating a total loan fund of \$152,935 for 1958-59. The act authorizes appropriations for succeeding years which could result in an eventual allocation of \$1,072,409 to Wisconsin, if Wisconsin colleges find need to apply for it.

The Functions of the State Scholarship Committee

The legislation creating the state scholarship committee:

1. Directs that a state scholarship committee be established by the Coordinating Committee for Higher Education
 - a) to provide scholarships on a state-wide basis
 - b) to seek out talented students who can benefit from such scholarships
 - c) to conduct studies of problems and practices in granting college scholarships in Wisconsin.
2. Enumerates functions and procedures of the state scholarship committee as follows:
 - a) select its own chairman and secretary
 - b) establish rules and standards for its scholarship program

- c) requires that scholarships be based on scholarship ranking
- d) must encourage the creation of local scholarship committees
- e) must encourage raising of private funds for scholarships for use by state or local scholarship committees
- f) may establish and grant scholarships at the University or state colleges
- g) requires that all moneys received from gifts and grants for the purpose of establishing its scholarships shall be paid into the general fund.

Soon after the state scholarship committee was established, it sought legal advice to clarify certain aspects of its powers. The committee was advised that the statute as written provides:

- a. That the committee may not receive funds nor grant scholarships which would be used in attending colleges other than the state colleges or University.
- b. That the recipients of scholarship awards must be chosen upon the basis of scholarship ranking. Other qualifications of the applicants, including need, apparently could not be considered.
- c. The value of the scholarships would be limited to the amount of the incidental fee charged by the institution which the recipient attended. This limitation would hold even if the scholarships were awarded from gift funds received by the committee.
- d. The scholarships are in addition to and independent of the scholarships awarded by the Regents under existing legislation.
- e. The scholarships are not limited to freshmen and may be made for more than one year of schooling.

Under these interpretations, and without implementing appropriation, the legislation has little or no chance to

accomplish its purpose of seeking out talented students and providing them with scholarships on a state-wide basis.

The creation of local scholarship committees and the encouragement of private gifts to them for scholarship purposes is likely to have little success unless students are free to choose the school they attend, whether private or public. The same limitation would apply to encouraging contributions to the state committee.

Amendments to this legislation will be required if it is to accomplish what is believed to be its primary purposes. Appropriations will be needed for its administrative features, even if all funds for scholarships are to be received from gifts, grants, or bequests.

Statistical Summary of Wisconsin Legislative Scholarships (1957-58)

<u>Type of Scholarship</u>	<u>State Colleges</u> <u>No.</u> <u>Value</u>	<u>University</u> <u>No.</u> <u>Value</u>	<u>Total</u> <u>No.</u> <u>Value</u>
Resident:			
General	618 \$72,306	334 \$58,116	952 \$130,422
Honor	<u>243</u> <u>28,431</u>	<u>264</u> <u>45,936</u>	<u>507</u> <u>74,367</u>
TOTAL	861 \$100,737	598 \$104,052	1459 \$204,789
Special:*			
Disabled Students	131 15,327	None -----	131 15,327
Foreign Students	<u>37</u> <u>4,329</u>	None -----	<u>37</u> <u>4,329</u>
TOTAL	168 \$19,656		168 \$19,656
Non-Resident:			
General	8 936	203 69,246	211 70,182
Legislator's Appointments	<u>None</u> <u>---</u>	<u>119</u> <u>41,650</u>	<u>119</u> <u>41,650</u>
TOTAL	8 \$936	322 \$100,896	330 \$111,832
GRAND TOTAL	1037 \$121,329	920 \$214,948	1957 \$336,277

* In addition, Wisconsin legislation provides that scholarships may be awarded to blind students and to deaf students who are regularly enrolled in any college or university (Wisconsin statutes 41.76 and 41.77). In 1957-58, between 25 and 30 blind persons received awards amounting to a total not exceeding \$10,000; 5 deaf or hard of hearing students received awards totalling not more than \$2500. Indians who are residents of Wisconsin may also have financial assistance to attend college. (Wisconsin statutes 39.022). In 1957-58, 10 Indian students received scholarships having a total value of \$2850.

PART D

Objectives and Principles of
State Programs of Student Financial Assistance

Purposes --

States have developed programs of financial assistance to college students for several purposes:

1. To extend educational opportunity to deserving and needy students, particularly those who live in areas where college opportunities are absent or relatively inaccessible.
2. To recruit persons for training in technical fields, occupations, or professions in which there are special needs.
3. To assure fuller educational development and training of the state's most talented and promising youth.
4. To ease the enrollment load of public colleges by providing scholarships to students who wish to attend private colleges.

One or more of these objectives is found in existing state programs of student financial assistance.

Objectives --

The most frequent objective is to place the opportunity for suitable technical training or college-level education within the financial reach of every youth in the state who by ability, preparation, and achievement has qualified for such training or education, and who has strong desire to get it. Part of the programs however, often emphasize the identification of talented youth who should be encouraged to continue their schooling beyond high school, who strongly desire to get such schooling, but who, without financial assistance, cannot do so.

One specific state objective may be to use a student financial assistance program to enable deserving youth from areas where educational opportunities are comparatively distant or meager to attend existing institutions. Such a program

may be preferred to the establishment of new educational centers in those areas.

Principles --

The following statements suggest basic principles for the development of a state scholarship program:

Self-help. In general, students attending college should be expected to have a financial stake in their own education. The great majority of students now provide a part of their college expenses by earnings from summer work or part-time work while attending school. Few students or families are now unable to make some financial contribution toward their college expenses. Programs of student financial assistance should be used to help close the gap between the student's own resources and the necessary costs of his education.

Loans. A college education is an investment which usually appreciates with time. Students and families should consider educational costs as worth borrowing money to obtain. In general, opportunities to borrow needed money upon reasonable terms of interest and repayment should be offered before an outright grant. This preference does not apply when the purpose is to award relatively small stipends in recognition of excellence or special achievement.

Competition with Other Student Financial Aids. A state program of student financial assistance should be geared to meeting needs which are not likely to be met through other programs. The state program should supplement, not supplant nor weaken, present support for student financial aids from private gifts and grants.

Financial Need as a Requirement. While the assessment of financial need of students is complex and difficult,

clear evidence of financial need should be prerequisite to granting assistance under a state loan or scholarship program. This principle, however, should not prevent the awarding of honorary scholarships which have either no stipend or a nominal stipend.

Freedom to Choose the School. In general, loan or scholarship programs for undergraduate students should leave the student free to choose the college or university he will attend, provided that it is an institution recognized among colleges and universities as fully accredited or approved. (The possibility that students who wish to take one or two year programs of technical education in a School of Vocational or Adult Education, the opportunity for which is not within commuting distance should be included in a state loan or scholarship program.)

Freedom to Choose the Course of Study. In general, loan or scholarship programs should not prescribe, or give preference to students who enter particular fields of study or training.

Administration. A state loan or scholarship program should be administered under the direction of a committee, commission, or agency, the members of which are chosen for their broad interests in education and in the programs of all schools, colleges, and universities offering opportunities to Wisconsin youth.

In the interest of economy and efficiency, the details of administration should be performed through the arrangements which the several schools, colleges, and universities have established for the handling of scholarships awarded by them.

Procedures for the identification of talented students and the determination of their financial needs should be worked out by the state committee.

Eligibility for Financial Assistance. Students enrolled or prospective students accepted for enrollment should be eligible for financial assistance from state programs of loans or scholarships. To enable worthy and talented students to continue in college is as important as to help them begin such studies. Bonafide residence in Wisconsin should be required.

Scholarship Stipends. Cash stipends used in current state scholarship programs are in amounts equal to about 15%

to 25% of the total cost of attending college. Recipients are expected to obtain any needed amount beyond that from other resources or by borrowing.

In some states the stipend is equated with the tuition of the school attended, with maximums ranging from \$500 to \$600.

Financial Assistance to Students is not Financial Assistance to Colleges. Since the tuition or fees paid by students does not equal the cost of their instruction, to increase student enrollments by whatever means is to increase the amount of college deficit. Loan or scholarship programs which induce greater enrollments in colleges but which are not accompanied by grants to the colleges which compensate for increased costs of instruction do a disservice to both the students and the college.

It does little good to bring high quality youth to the college campus if the college cannot match him with high quality instruction.

Relationship to Student Fees. State colleges and universities, in the tradition of free public education, have consistently maintained relatively low student fees. This in itself is a strong program of student financial assistance.

It is argued by some that these colleges should require students to pay fees which cover the cost of instruction. Student fees should be expected to increase proportionately with the costs of providing instruction, but the maintenance of the present student fee policy without a scholarship program is preferable to a policy which would try to offset a much higher fee with a large state scholarship program.

While the fees at state colleges and universities are now a small part of the total expense of the cost of attending college, Wisconsin families spend approximately \$50,000,000 annually in addition to their taxes for colleges and universities, for expenditures necessary to send^{ing} their children to college. The students who

attend college of course derive benefits which are not received by those who do not. The college students and their families, nevertheless expend considerable amounts of money to get these benefits.

In many instances, these expenditures represent true sacrifice.

Local Participation. Participation in the state scholarship program by local communities or areas is desirable, especially in the identification of talented students and the determination of their financial need. The program should stimulate and encourage gifts and grants from local sources for scholarships awarded to students from their own communities or areas.

Summary of Major Findings

1. The number of Wisconsin's top-ranking high school graduates (upper 10-15%) who do not go to college primarily because of lack of financial means is probably less than 10% of the boys and 25% of the girls. There are wide differences in the efforts of youth to take advantage of existing opportunities.

Implication. The scope of a program to help these youth should be small and selective, rather than broad and extensive. The purpose would be to locate, counsel, encourage and, if needed, assist with scholarships 500-700 students of this calibre who want to go to college but cannot see their way financially.

2. Many scholarships are awarded for meritorious achievement without regard to financial need. More than one-half of the scholarship holders say that they would have attended college even if they had not been awarded a scholarship. This situation prevails in both public and private colleges.

Implication. If the purpose of a program is to assist students, who without financial help cannot attend college, existing programs of scholarships in colleges and by the state should be turned toward providing fewer scholarships and larger stipends.

3. Scholarships are but a part of a student's financial plan for his college expenses. One-half of the scholarship holders in Wisconsin colleges work part-time, and 15%-20% of them borrow additional money to meet their expenses. A larger per cent of the non-scholarship holders work part-time while attending college, and as many of them borrow money.

Implication. All programs of student financial assistance of the colleges and the state are being well used. As the college-age population rises, these resources will need to grow if they are to accommodate the larger numbers of students expected in the future.

4. Many scholarships are given for the freshman year only; and many freshmen do not return for the second year. Financial reasons are given by about 20% of this withdrawing group.

Implication. Scholarships are as much needed to keep good students in colleges as to get them to start to college. (The state program of legislative scholarships now helps this situation.)

5. The state's existing program of state-supported scholarships is substantial. The total program compares favorably with programs in comparable states in both number of students assisted, and the amount of help provided.

Implication. The size of the program will need to keep pace with increasing numbers of students. Improvement may be made in identifying students who because of both talent and need are most deserving of help.

6. The existing programs of legislative scholarships provide no assistance to students who attend private colleges or universities.

Implication. Some states provide cash stipends to students who then are free to attend the college of their choice, public or private. The argument for this practice is that it will spread the enrollment load more evenly among all of the colleges and universities in the state.

7. Existing programs of state scholarships provide no assistance to students who must go to distant communities to take one or two year programs of technical training in schools of vocational and adult education.

Implication. As the importance of technical training increases, the need for recruiting and assisting youth who are qualified for and want this type of training will increase.

8. One of the greatest costs of attending college is the expense of living away from home. Students who do not live within commuting distance of colleges are at a disadvantage in this respect.

Implication. State programs of student financial assistance, loans and scholarships, might give preference to students who have such disadvantages.

9. More and more students are using loan funds. Insofar as the funds are adequate and policies will permit, it appears that borrowing for educational expenses will increase. Use of loan funds is now frequently being suggested before granting other types of help.

Implication. The development of an adequate loan fund and policy is an essential part of a good program of student financial assistance. Even if a loan is defaulted, the financial loss is not greater than if a scholarship had been granted instead. Experience with repayment of student loans, however, has shown not over a 2% loss -- smaller than the interest proceeds of all loans.

10. The new student loan program of the federal government will bring added help to students enrolled in colleges which take advantage of its provisions. The amounts now provided for Wisconsin colleges and universities will not be sufficient for the needs.

Implication. An improved state program of student loans will be needed to supplement the federal program.

11. Present legal interpretations of the powers and functions of the state scholarship committee greatly restrict the

power of the committee to develop a state scholarship program toward the purposes expressed in the legislation.

Implication. The legislation should be amended and appropriations made for its administration.

12. Student fees do not cover the cost of instruction at either private or public colleges. Assistance to students is not assistance to colleges.

Implication. Large scholarship programs which would substantially increase student enrollment would require comparable increases in operating funds of the institutions to maintain quality of instruction.

13. The state policy of relatively low student fees is in itself a substantial scholarship program. This program is non-discriminatory, involves no administrative cost, and is effective.

Implication. A policy of relatively low fees is preferred to a policy of high fees offset by a larger scholarship program.